

**GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS**

**PUBLIC SERVICES COMMISSION**

In Re The Virgin Islands Water and Power  
Authority's Levelized Fuel Adjustment Charge

PSC Docket No. 289

Order No. 34/2012

CORRECTED ORDER

WHEREAS, this matter is before the Virgin Islands Public Services Commission ("Commission" or "PSC") on the Virgin Islands Water and Power Authority's August 20, 2012, (WAPA or "Authority") quarterly filing and petition for adjustment of the Levelized Energy Adjustment Charge ("LEAC"); and

WHEREAS, the Commission's Technical Consultants and staff have communicated extensively with the Authority to secure the necessary information to permit a review of the proposed increases in the LEAC; and

WHEREAS, on September 21, 2012, the Commission received the report of its Technical Consultants Georgetown Consulting Group; and

WHEREAS, on September 24, 2012, the Commission met in Special Session at the Port Authority Conference Room located at the Henry E. Rohlsen Airport, St. Croix, U.S. Virgin Islands; and

WHEREAS, at the Special Session, the Commission heard from witnesses for the Authority, from the Commission's Technical Consultants, as well as members of the public;

WHEREAS, the Commission adopted the report and recommendation of its Technical Consultants;

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NOW THEREFORE, the Commission Finds and Orders:

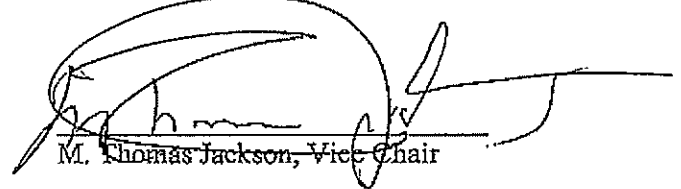
1. The assumptions of fuel pricing, sales of water and electricity, and the fuel consumption used in the Technical Consultants' report are reasonable and appropriate for the October to December 2012 LEAC period; and
2. A LEAC rate of \$0.383234 per kWh is set for the Electric Department beginning on October 1, 2012;
3. A WLEAC rate of \$11.14 per KGal (\$3.58 less than requested) is set for the Water Department beginning on October 1, 2012;
4. WAPA shall provide all MFR requirements for future quarterly LEAC filings including the expanded requirement to provide information regarding billing and collection activity and outstanding balances for the previous two quarters for all accounts government and non-government by customer class (MFR5);
5. WAPA shall provide by October 31, 2012, a report reconciling the deferred fuel balances on its books with the deferred fuel balances used for LEAC purposes with appropriate confirmation from WAPA's auditors through June 30, 2011,
6. WAPA shall provide documentation and work papers from WAPA for the balances for September 2012, demonstrating that the deferred fuel expense balances for both departments shown on the LEAC schedules and on the internal financial statements are identical for both departments;
7. WAPA shall provide the PSC no later than October 31, 2012 clarification of its position concerning the implementation of the Independent Advisory Contractor ("IAC") and indicate a date certain by which it will mobilize the services of an IAC.
8. WAPA should continue and reserve the revenues from the Line Loss reduction surcharge, but by October 31, 2012 provide a plan of projects, costs and benefits from the programs that will use the funds currently reserved as well as future revenues;

9. WAPA shall file with the Commission no later than October 24, 2012 a timeline for the expected savings from the RFM for consumers and milestones for the rehabilitation of WAPA's generating units;
10. WAPA shall file with the Commission no later than October 24, 2012 updated appendices and all required reports pursuant to the prior orders of this Commission regarding the RFM; and
11. If the filings required by Paragraphs 9 and 10 above are not made within thirty (30) days, the rate increase permitted by this order shall be suspended and rates shall return to the level of the prior quarter, beginning November 1, 2012 and continuing until further order of this Commission.

*So Ordered.*

Dated: September 24, 2012 (*Nunc pro tunc*)

For the Commission



M. Thomas Jackson, Vice Chair